

CI Project Manager's Monthly Status Report to MARAD for Vessel Kittiwake Project  
For Reporting Period: March 31, 2010 through April 28, 2010

1. Executive Summary Narrative of Previous Month's Progress

a. Major accomplishments achieved during previous reporting period

The major accomplishments made during this reporting period are noted following:

i) Further to the meeting that was held at the Kittiwake for 2 days Mar 11-12/2010 with representatives from MARAD, the CI DOE and the US EPA as well as CITA, DMG and Envirocon, all matters except the following have been addressed.

Laura Johnson to determine how we can handle the 'vessel general permit notification' to EPA, both the past one missed and the future one before the international tow. **Folks involved are back in office now, meeting scheduled Wed April 7 9am. No updates yet.**

Identify documents and due dates describing/documenting vessel preparation completed/clean up goals achieved. This is in reference to documentation due prior to the Kittiwake's departure from the U.S. (Note: This is identified as line item 54 on the Timeline) **Work in progress**

Update: Two existing Kittiwake Caterpillar engines will be sold if a buyer can be found. Two engines will remain on board. No replacement engines will be put back on board.

Interim site inspections:

These were conducted on April 19 with MARAD, US EPA, CIDOE, West Indian marine Group (sinking contractor) and the CITA representatives. The inspections were successful, in so far as giving all parties a first-hand look at remediation to date. Updates were made to the timeline and several corrections were made. The final vacuum cleaning of the ship has been moved to closer to the departure date. The hull cleaning is taking place in dry dock, not in-water.

Progress to-date:

Environmental Profiles Inc. completed the re-sampling of the paint in and around Sample #67 hot spot on April 14. The lab reports are not yet available, but as of April 26 the extraction/sample preparation is complete. The samples are presently being analyzed. We should have the results next week for distribution.

Asbestos Remediation has been completed in the Propulsion Room, Engine Room, Machine/electric shop, Decompression Chamber room, Welding Shop, Galley, Air bank storage room, Officers Quarters, Forecastle superstructure and stack. Two containers have been transported from the site with approximately 80 yards of AB each.

The majority of fiberglass has been removed, including wrappings and lagging. This is continued work in progress at the moment.

Most all of the wiring has been removed with the main exception of some wire stubs in various rooms, which will be completed next week. One container of PCB materials have been transported off -site, with the first manifest attached to this report showing the removal of 10,000 lbs. of PCB.

Overall, remediation work is estimated at 80% complete. Dive prep work is also estimated at 80% complete. The majority of the decks and bulkheads have been cut out to our specifications to allow diver access, opening up rooms to larger sizes, removing carpet, wood panels, most bunk beds, no confined spaces and allowing light penetration throughout for marine life habitation. Decks that are not cut are those that will be cut out in Cayman to maintain the water tight integrity of the ship for the tow.

A total of 5 garbage dumpsters have been hauled off site.

The total estimate of materials that will have been removed from the Kittiwake at completion is:

Garbage - 8

PCB - 2

Asbestos - 4

Other Haz Mat - 2

Refinement was made to the sinking plan including exact placement of anchors, air vents for sinking, compartmentalizing the ship into 3 sections on the lower decks for stability and control during sinking, welding needs for mooring attachments and pad eye placement for easy removal of cut-outs that will be completed in Cayman.

The ship was re-measured again for overall height and adjustments were made to cut-offs of the masts and boom to make the ship an overall height of 48 feet to match our water depths at the sinking location.

Arrangements have been made with James River Reserve Fleet (Martin Walker) to have a truck from Dominion Marine Group pick up the additional 2 anchors and 1000' of chain and take them to the ship on May 2 to accompany the ship on her tow to Cayman for our sinking needs.

The stack has been totally cleared out and is open to the engine room now.

The orange buoys have been removed from the ship, the wood stripped off of them and repainted international orange. The buoy cradles have been stripped of wood and rubber materials.

The mast has been cut down and the lower portion of the mast has been re-welded on the deck lower forward of the pilothouse in front of the reels.

The aft a-frame has been cut down and re-welded to the stern deck. The main boom has been installed with the tip resting on the a-frame back deck and welded in place.

The 4 smaller booms that were loose have been re-installed and welded to the ship.

An old boiler has been sourced in Virginia that will be cut off at the bottom, welding letters on the side saying what it is, adding some hatches and an internal valve at the top inside so the air can exhaust during sinking, but can be entered and the valve closed and partially filled with air, painted yellow.

**b. Discussion of constraints, impediments and delays encountered.**

None, everyone has been very cooperative and responsive.

**c. Corrective Actions taken to minimize schedule impact.**

None, everyone has been very cooperative and responsive. The schedule still holds with a tow date of June 15/2010 and a sinking date of July 5/2010.

**d. Status for completion of key events and milestones.**

On time.

**e. Assessment of Risks related to timely completion of project.**

Unknown factors, acceptance and receiving all permits to move forward following remediation are the key concerns.

## **2. Forecast of Next Month's Progress**

- a. Planned work to be accomplished during next month.
  - i. The major work over the next month is completing remediation and abatement, including diver preparedness of the ship for reefing.
  - ii. Next week will be spent completing and clearing space working from both ends in, one crew punch listing from the stern forward, the other from the Bow aft
  - iii. Final inspections are scheduled for May 24 - 26/2010.
  - iv. EPI (Marc Plisko) will complete his inspections prior to this and the report from the third party inspector will be available in advance of the final inspections from this group. The lab results from sample #67 area will be sent as soon as available.
  - v. Moorings for Cayman have been sourced and are being prepared in readiness to be installed right after the sinking.
  - vi. Virginia DEQ will be notify b CITA (Nancy) that hull cleaning will be in dry dock.
  - vii. The USA Coast Guard will be notified by CITA/DMG that final inspections are taking place May 24 - 26 and that an export permit is being requested for a international tow starting on June 15.
  - viii. Leases, licenses and permit are work in progress in Cayman to be ready prior to the tow, as required by our obligations to Cayman regulatory oversight, the Department of the Environment.
  - ix. The dates and events surrounding the sinking have been drafted and are listed following. Invitations to the 32 ex-crew members, partners, VIP's, guests and media will be sent out. This is subject to work completed, approvals and weather but we need a plan to work towards.

July 3/Sat Dinner, presentation & auction - venue tbd/island elegant  
 Auction some Kittiwake artifacts  
 & tickets to be the 1st one to dive/snorkel/sub on it

July 4/Sun Top side viewing - open to public 9am - 2pm  
 Closed 2 - 4pm for setup  
 Onboard Ceremony & Dedication 4 - 5pm (invitation only)

July 5/Mon Sinking event - 10am - 2pm (Public holiday)  
 After sinking - closed to public

July 6/Tues Closed to public  
 (Inspections, anchor setting, safety checks, moorings, etc.)

July 7/Wed 8am - 11am Private tours - media, first divers/snorkelers, VIP, etc.  
 11am Open to public!

- x. The 'America' is the tug that will tow the Kittiwake to Cayman (126 gross tons). CI The Port Authority requires a Pre- Arrival Notification form to be filled out if the tug is over 500 gross tons, however CITA/DMG will file the notice anyways as a courtesy.

- b. Planned milestones that will be achieved during next month.
  - i. As outlined above in 2.
- c. Anticipated risks and planned corrective actions.

- i. Continued discussions will be held in April in Cayman regarding the impacts of not meeting our goals and having to delay the sinking date. Risks and costs will be analyzed and plans put in place for contingencies.

### 3. Other information and/or comments from CI Project Manager

- i. Work permits for the crew from Dominion Marine Group are not needed here in Cayman, so this task has been marked as complete. As the crew are not being paid for assisting in the sinking day event, no permits are needed. Confirmed by DOT via Immigration.
- ii. An updated letter from CI Customs is being requested of the Financial Secretary that states the Kittiwake can come into Cayman duty free. We have this on file but as it is 5 years old so have requested a current letter.

Sample of photos from her time in service: provided by ex-crew members:



Hard hat platform dive



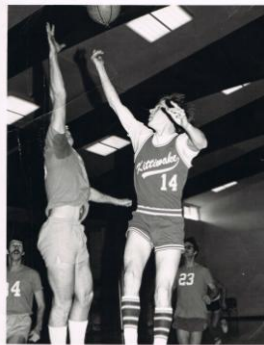
Getting ready for hard hat dive



Platform dive



GOING DOWN !!





UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator ID Number	2. Page 1 of	3. Emergency Response Phone	4. Manifest Tracking Number	
		VAR 000509281		605-270-2980	004622943 JJK	
5. Generator's Name and Mailing Address		Generator's Site Address (if different than mailing address)				
AMERICAN MARINE GROUP PO BOX 211 NORFOLK, VA 23501 USA Generator's Phone: 757-990-0033-TM		425 CAMPOSTELLA ROAD NORFOLK, VA 23523				
6. Transporter 1 Company Name		U.S. EPA ID Number				
TW SERVICES, INC.		SDH980634648				
7. Transporter 2 Company Name		U.S. EPA ID Number				
8. Designated Facility Name and Site Address		U.S. EPA ID Number				
TW SERVICES, INC. 1606 NE THIRD STREET MADISON, SD 57042 Facility's Phone: 605-256-2600		SDH980634648				
9a. HM	9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any))	10. Containers		11. Total Quantity	12. Unit WL/Vol.	13. Waste Codes
		No.	Type			
1.	NO. POLYCHLORINATED BIPHENYLS, SOLIDS, 9, N.O.S. UN3077, PG III, PG=1 LBS	1	DM CM	10,000	K	
2.						
3.						
4.						
14. Special Handling Instructions and Additional Information						
1) PCB/ASBESTOS WIRE - SD NON-FRIABLE OHS: 3/17/2010 BOX 41						
15. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.						
Generator's/Officer's Printed/Typed Name		Signature			Month Day Year	
TIMOTHY MILLANE PRES DML					04/07/10	
16. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: _____ Transporter signature (for exports only): _____ Date leaving U.S.: _____						
17. Transporter Acknowledgment of Receipt of Materials						
Transporter 1 Printed/Typed Name		Signature			Month Day Year	
TAKELI JON METTE					04/07/10	
Transporter 2 Printed/Typed Name		Signature			Month Day Year	
18. Discrepancy						
18a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection						
Manifest Reference Number: _____						
18b. Alternate Facility (or Generator)		U.S. EPA ID Number				
Facility's Phone: _____						
18c. Signature of Alternate Facility (or Generator)					Month Day Year	
19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems)						
1.		2.		3.		4.
20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in Item 18a						
Printed/Typed Name		Signature			Month Day Year	